

# SVS

Korea Social Value  
and Solidarity Foundation  
Annual Report

# IMPACT

# 2023

제100회  
한국사회기초연대기금  
2023 연차보고서

**SVS** Korea Social Value  
and Solidarity Foundation

# 2019



# SVS IMPACT 2023

## About the Report

The Korea Social Value and Solidarity Foundation (SVS) publishes an annual report each year to provide transparent information on the Foundation's projects and performance over the past year.

The report represents the Foundation's efforts to establish sustainable ecosystems for social finance and foster the social economy in Korea. It also includes data of the Foundation's performance from 2019 to March 2024 to provide a representation of meaningful activities and outcomes. This report was created as an interactive PDF with features such as navigation to table of contents, related pages within the report and shortcuts to webpages.

## Reporting Scope

The main focus of this report is the fiscal year of 2023, extending from January 1 to December 31. The facts and claims herein have been reviewed by SVS's working-level officers and executives.

## Information on Investments and Social Value Performance

This report analyzes the performance, as of the end of 2023, of the investments that SVS undertook using its fund, both in partnership with other social finance intermediaries, and alone for individual social economy projects. The analysis therefore also concerns the current state and social value performance of the social economy enterprises so supported.

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# SOCIAL FINANCE IS ESSENTIAL FOR THE SUSTAINABLE GROWTH OF SOCIAL ECONOMY ENTERPRISES.

Since its inception in 2019, the Korea Social Value and Solidarity Foundation (SVS) has worked tirelessly to establish a sustainable social finance ecosystem. In 2024, we will continue to develop alternative approaches to solving and preventing social issues. Our efforts will also include expanding support for local and self-help funds, enhancing the capabilities of social finance intermediaries, and broadening the foundation for cooperation. We are committed to increasing social value through social finance and delivering impactful results that make a tangible difference in the social economy. We will remain a dependable partner in the social economy sector.

# Social Finance Forum 2023



The Social Finance Forum serves as a platform where those exploring innovative models and roles for finance in our society can share knowledge, experience, and gain insights. The 2023 Social Finance Forum, under the theme 'Financing Our Common Future: The Role of Finance for a Sustainable World', explored the changing domestic and international institutional landscapes. Participants forecasted future trends and exchanged best practices, all centered on the theme of 'sustainable finance'.

- Date** May 25 (Thu.)~26 (Fri.), 2023
- Venue** Korea Federation of Banks Building, Community House-Masil, OnDream Society
- Co-organizers** Korea Social Value and Solidarity Foundation, Korea Financial Industry Foundation
- Sponsors** Korea Federation of Banks, Korea Exchange(KRX), Koscom, Samsung Life Insurance, iNLifeCare Cooperative Federation, ICCOP, National Social and Solidarity Economy Local Government Association(SSEGOV)
- Partners** Korea Social Enterprise Promotion Agency, Korea Central Public Agency for Social Services, Hankyoreh Economy and Society Research Institute, OHMYCOMPANY



## Social Finance Forum 2023

# FINANCING OUR COMMON FUTURE

A total of 71 speakers, both domestic and international, presented and discussed various topics related to social finance over 23 sessions. These sessions were organized around the themes of resilience, transparency, empowerment, and capital mobilization. The forum attracted over 500 participants, including government officials, finance professionals, social economy workers, journalists and researchers.



- Invited International Speakers**  
**Pedro Manuel Sasia Santos**, President, FEBEA  
**Toshiaki Wada**, Chairperson, Japan CO-OP Kyosai  
**Cathi Kim**, Director, Inclusive-Capital  
**Catherine Hock**, Vice President, ICMIF  
**Cliff Prior**, CEO, GSG for Impact Investment

# ROLE OF FINANCE FOR SUSTAINABLE WORLD



Social finance refers to finance that prioritizes social value, or at least pursues social value in conjunction with financial value. Participants at the Social Finance Forum unanimously agreed that sustainable finance plays a critical role during times of climate and ecological crises, as well as periods marked by imbalance, inequality and uncertainty.

[for more information](#)

# Greetings from The Chair

CELEBRATING ITS FIFTH ANNIVERSARY, THE SVS IS A SOCIAL FINANCIAL INSTITUTION DEDICATED TO SUPPORTING THE SUSTAINABLE GROWTH OF SOCIAL ECONOMY ENTERPRISES. OUR FOCUS IS ON CREATING DIFFERENTIAL VALUE AND DELIVERING TANGIBLE RESULTS.



Rev. Kyong Yong Song  
Chairperson, Korea Social Value and Solidarity Foundation

송경용

Celebrating its fifth anniversary, the SVS has supported the activities of social finance intermediaries and provided financing to enterprises and projects that pursue social value. This is part of its commitment to promote the development of social finance and the sustainable growth of social economy enterprises.

In 2023, we focused on two main objectives. Firstly, we aimed to empower social finance intermediaries and broaden opportunities for collaboration. We successfully hosted the inaugural Social Finance Forum, aimed at highlighting the importance of social finance in the changed policy environment and broadening the engagement of various stakeholders in the field. The global economic contraction post-pandemic and calls from the international community for a reassessment of business roles and behaviors have underscored the growing significance of finance in advancing a more sustainable world, particularly due to its substantial impact on companies and industries. The forum, themed 'Financing Our Common Future: Role of Finance for a Sustainable World', provided a platform for those exploring innovative models and roles for finance to reflect, discuss, and draw inspiration on how businesses and the finance sector can contribute to societal betterment.

Secondly, we intensified our support for revitalizing local and self-help funds. Although the "Social Finance Promotion Strategy", launched in 2018 to support the quantitative growth of the social economy, kickstarted activities related to social finance, the supply of resources has not kept pace with the overall development of the sector. Furthermore, establishing a customized financial system that reflects regional specificities and supports the local economy remains an ongoing challenge, still in its initial stages. However, in 2023, the SVS expanded its matching loan programs for social economy self-help funds and local government social economy funds to include Jeju, Jeonbuk, and Jeonju, building on successful implementations in Gyeonggi and Daegu. While these efforts are not extensive in scale, they are gradually beginning to yield positive results. In 2024, we will continue to provide funding and consulting to local social economy networks, aligning with the self-help fundraising movement that is gaining momentum in many regions to foster social finance ecosystems.

We will continue to push boundaries through unyielding challenges, cooperation and solidarity, always staying connected to those working on the ground. As a social financial institution dedicated to supporting the sustainable growth of social economy enterprises that tackle a variety of economic, social and environmental challenges—including demographic decline, the care crisis, safety concerns, the decline of local communities, and the climate crisis—we are committed to creating differential value and delivering tangible results.

I would like to express my sincere gratitude to the SVS staff and all our sponsors and collaborating partners for their dedication and unwavering support.

## HISTORY 2018-2023

The SVS is Korea's first social finance wholesale fund, supporting social finance intermediaries and providing funding to enterprises and projects that pursue social value. Its aim is to contribute to the sustainable growth of social economy enterprises and the establishment of social finance.

### 2018

#### • Korean government unveils measures to foster social finance

Including measures supporting formation of social finance market, increasing social finance from public sector, and expanding infrastructure, all toward establishing a financial ecosystem supporting the sustainable growth of the social economy.

#### • Steering Group and Inauguration Preparation Committee organized

A steering group was assembled, with government officials, representatives of social economy organizations, social finance intermediaries, and financial experts, to help prepare to launch SVS

### 2019

#### • SVS officially launched

Ministry of Finance authorizes its establishment as nonprofit corporation (December 27, 2018)  
Inauguration ceremony held (January 23, 2019)

#### • Agreements on investment in social impact bond (SIB) projects

Establishing the strategy to foster SIB with the National Social and Solidarity Economy Local Government Association

#### • Social impact investments begin

Investment in impact funds via impact fund managers

#### • Investments and loans begin with Social Finance Intermediaries (SFIs)

Providing loans for social economy organizations (SEOs) and operating loans and founding capital for SFIs

#### • Developing a self-help model of social finance

Supporting young adults' and precarious workers' financial initiatives

### 2020

#### • Collective Action to Overcome Crisis launched

Raising Disaster Solidarity Fund to support COVID-19 response and provide emergency finance for SEOs

#### • Investing in impact projects increased

Investments in SIBs, local asset acquisition, social housing, and climate and energy projects

#### • 'Social Finance Forum', officially launched

A collaborative network of SFIs with the mission of realizing social values by providing investment and loans to SEOs and social innovators.

#### • Supporting technological growth of SEOs

KT Warm Technology Challenge launched with KT Group Hope Sharing Foundation and Impact Square

### 2021

#### • Provision of technical support and matching funds to local governments' social finance initiatives

Supporting SEOs in non-capital areas for their stable growth and self-reliant infrastructure.

#### • Publishing impact reports and organizing briefings

Analysis on social impact of SVS funding activities published and presented

#### • Strengthening international solidarity and cooperation on social finance

Participating in OECD Social Solidarity Economy Consortium, GSEF 2021 Mexico City, etc.

#### • Organized a symposium on "Evaluating Three Years of Social Finance Policy and Remaining Tasks"

### 2022

#### • Increasing investments and loans for local social finance

Focusing on establishment of local social economy funds and consulting on its management. for community development

#### • Supporting social housing by providing finance

Re-financing agreement for construction of themed social housing (April 16 Foundation and Korea Social Housing Association)

#### • Learning groups to help produce policy measures

Facilitating H-ESG Forum and BTSE Learning Group, publishing books, and organizing seminars and debates.

#### • Open call for proposal from SFIs

Starting the regular open call for proposal of investment and loans from SFIs and self-help fund managers

### 2023

#### • 1st International Forum on Social Finance

Held on 25-26 May 2023, under the theme 'Financing Our Common Future: Role of Finance for a Sustainable World'.

#### • Strengthening Social Finance Policy Research

Enhanced operations of regional and other social economy funds, and established measures to support financing for social services.

#### • Empowerment Training for Social Finance Intermediaries

Developed and disseminated financial content focusing on field experience and practical applications within the social economy.

#### • Labor and Civil Society Solidarity Forum 'Sollaci' Launch

Signed an MOU to jointly promote the Sollaci project (Solidarity of Labor and Civic Society) with key partners including the Public Workers Solidarity Foundation, Finance & Service Ubuntu Fund, Civil Society Organizations Network in Korea, and Chun Tae-il Foundation.

## HIGHLIGHTS 2019-2023

# CATALYZING IMPACT INVESTING

SVS provides wholesale funding to social finance intermediaries, enabling them to establish impact funds and build an effective social finance supply chain.



### Social Enterprise Stepping Stone Fund

The 'Social Enterprise Stepping Stone Venture Investment Fund (Stepping Stone Fund)' is the 6th Social Enterprise Investment Fund, backed by KRW 4 billion from the Ministry of Employment and Labor and KRW 1.8 billion from private investors. The SVS invested in this fund with the goal of expanding the supply in the social investment market (November 2020-November 2028).

The fund provides patient capital to social enterprises and preliminary social enterprises in pre-series A stage, particularly those underserved by impact investing. Their business areas include carbon reduction in wastewater treatment, upcycling of composite plastics, processing of marine debris, and childcare services. Additionally, it offers an integrated growth support program in collaboration with the impact investment manager Impact Square, designed to help social enterprises increase their enterprise value and enhance social value.

### SVS Social Impact Fund Portfolio

- D3 Impact Venture Investment Fund 2
- Extra Mile Impact Investment Fund 2
- Social Venture Picnic Investment Fund 1
- Ark Impact Venture Investment Fund
- Blue Point Partners Private Equity Fund for Social Innovation Tech Ventures(first)
- Impact Square Stepping Stone Fund for Social Enterprises
- TBT Open Innovation Fund
- Gyeongnam Impact Investment Fund for Youth
- Gangwon Picnic Investment Fund
- CCVC Urban Renewal Fund
- Local Social Enterprise Acceleration Fund
- Extra Mile Impact Investment Fund 6

# ADDRESSING BLIND SPOTS IN SOCIAL FINANCE

SVS is committed to expanding the social finance ecosystem by developing customized loan products and providing diverse forms of funding to address gaps in sectoral and regional financing.

## Daegu Social Value Financing

In 2022, the SVS played a pivotal role in launching the Daegu Social Value Financing, a self-help fund that embodies the principle 'values are collateral and relationships are credit'. This fund is a vital resource for social entrepreneurs in Daegu, tailored to meet community needs. It offers business loans through mutual aid, interest-free banking for vulnerable workers, and promotes social value via mechanisms like social impact bonds, impact investing with value as collateral, and social ownership projects. The SVS has provided interest-free loans to this fund with the goal of supporting the establishment of self-help funds in Daegu and fostering the growth of social economy enterprises. We have also bolstered the development of Daegu Social Value Financing as a social finance intermediary by offering training in social finance practices and implementing a loan management IT system. The expansion of private self-help funds plays a significant role in fostering the balanced development of underserved areas and cultivating a robust social finance ecosystem.

### SVS matching loans for local and self-help funds

- Daegu Social Value Finance Fund
- Pyeongtaek Cooperative Social Network Self-help Fund
- Jeju Social Economy Network Self-help Fund
- Jeonbuk Social Economy Fund
- Jeonju Social Economy Network Self-help Fund

# SOLVING AND PREVENTING SOCIAL PROBLEMS

SVS makes upfront investments in innovative financial products such as Social Impact Bonds (SIBs) and support impact projects that address social issues, including citizen ownership initiatives for stabilizing healthcare and revitalizing communities, as well as social housing and climate crisis mitigation efforts.



## Social Impact Bond to Tackle Youth Unemployment in Seoul

SVS has invested in a Social Impact Bond (SIB) that provides employment and entrepreneurship opportunities for 500 young adults aged 19 to 34 from November 2020 to November 2023, aimed at tackling youth unemployment. This initiative is guided by the Seoul Metropolitan Government's Ordinance on the Operation of Social Impact Bonds. The returns on this investment are contingent upon the achievement of specified employment and entrepreneurship performance targets. The SVS employs Social Impact Bonds (SIBs), collaborating with government bodies, private investors, project implementers, and performance evaluators, to innovatively address and prevent social issues. Looking forward, we aim to facilitate the adoption and expansion of SIBs by local governments beyond the Seoul metropolitan area.

Total amount raised

KRW **2.9** billion

Number of participants

**893**

Number of successful employment and entrepreneurship

**332**

**3**

# FOSTERING SOCIAL FINANCE INTERMEDIARIES

SVS supports the establishment and expansion of social finance intermediaries that meet the increasing demand for diverse social finance options and provide financing to social economy enterprises.

## Labor Mutual Aid Association Poolbbang

SVS supported the establishment of the Labor Mutual Aid Association Poolbbang in April 2021 to address the significant gaps in the unemployment safety net, which were exacerbated by the prolonged economic shock of the COVID-19 pandemic. This crisis highlighted the inadequate coverage of employment insurance, especially as the proportion of precarious employment sectors such as special employment, freelancing, and platform labor continued to increase. Since its inception, The SVS have continuously worked to expand the social safety net for these workers through microloans. This has involved collaborating with KT and the Community Chest of Korea in the 'Support Project to Promote Mutual Aid Organizations for Workers in Precarious Employment', which ran from April 2021 to July 2023.

Number of member organizations (stakeholders)

23

Number of service users

3,180

Number of basic mutual aid members

2,695

Poolbbang Supporter Fund

KRW 392,000,000

4

# ENHANCING CAPABILITIES OF SOCIAL ECONOMY ORGANIZATIONS

## Social Finance Empowerment Training

We facilitate the transfer of experience and expertise from established social finance intermediaries to regions seeking to develop their own capabilities. Our initiatives include training social finance professionals to foster the growth of their works and developing and disseminating financial content to assist regions in establishing their own social finance intermediaries.



Online and in-person sessions to train social finance experts



Developing and disseminating financial content by building a pool of practitioner instructors



Empowerment training for community-based social finance intermediaries

# 5

# TRANSFERRING KNOWLEDGE OF INNOVATIVE SOCIAL FINANCE MODELS

Through international collaboration, SVS is developing a social finance system that strengthens social economy ecosystems both domestically and globally.



## International cooperation through social finance networks

SVS actively engages in regular communication and exchanges with international networks, including the Global Social Economy Forum (GSEF), the Asian Venture Philanthropy Network (AVPN), the Global Steering Group for Impact Investment (GSG), and the OECD. Our collaboration aims to share knowledge and experiences and increase the international impact of the social economy. We are committed to advancing the social economy sector in South Korea by showcasing overseas examples of social finance through various means, including seminars and the production of translated content.





PART I. SVS SOCIAL FINANCE ECOSYSTEM

# SOCIAL FINANCE ECOSYSTEM

- Overview of Social Finance Provision
- Overview of Social Finance Intermediaries
- Overview of Social Economy Organizations



## Overview of Investment and Loans

### Investment and Loan Provision

In 2023, the cumulative amount committed to investments and loans totaled KRW 17.914 billion, marking a slight decrease from KRW 18.041 billion at the end of 2022. The funds were primarily directed toward impact fund contributions and matching loans designed to revitalize local and self-help funds, with the majority allocated to social economy enterprises. By the close of 2023, there were 37 commitments in our investment and financing programs. The year included six new commitments, such as matching loans for the Jeonbuk Special Self-Governing Province and Jeonju City social economy funds, a matching loan for the Jeju self-help fund, and investments in a dedicated fund for social enterprises, marking a 12.1% increase from the end of 2022.

### Investment and Loan Partners

In 2023, a total of 20 social finance intermediaries(SFIs) collaborated with the SVS to provide investments and loans to social economy organizations(SEOs). The number of enterprises that received direct or indirect investments and loans, excluding those with duplicate funding from social finance intermediaries and the SVS, reached 280, an 8.9% increase from 257 in 2022.

(Cumulative amount 2019-2023)



## Overview of Social Finance Investment

### Investment and Loan Types

In 2023, indirect investments and loans channeled through social finance intermediaries totaled KRW 16.623 billion, accounting for 92.8% of the portfolio, marking a 1.3% increase from 2022. Direct investments and loans by SVS reached KRW 12.291 billion (7.2%), which included funding for health welfare social cooperatives in Ansan and Jeonju, loans to the platform drivers union, direct financing for local ownership projects, and support for solar photovoltaic projects on SME factory roofs. In SVS's portfolio, 61.5% were in social impact funds, which typically have a longer recovery period of 7 years or more. This segment saw a 0.3% year-over-year increase, influenced by lower loan balances due to loan installment repayments and loan recoveries from mutual aid organizations for precarious workers.

### Investment and Loan Durations

The average payback period for SVS investments and loans in 2023 was 6.4 years, a slight increase of 0.09% from the previous year. Investments in social impact funds had an average repayment period of 7.5 years, whereas loan support to social economy enterprises through intermediaries averaged 4.5 years.

### Return on Investments and Loans

The investment return rate for SVS in 2023 was targeted at 6.98%, and the confirmed loan return rate was 0.64%. Social impact funds, contributing significantly to the investment return, targeted a 5-10% IRR. The third-party valuation (multiple) for funds invested by SVS in 2019 and 2020 is increasing, driven by follow-on investments during a surge in venture capital funding. While returns may vary with changes in capital market conditions, achieving the target rates of return is expected to remain positive. On the loan side, social housing and community ownership programs featured lower interest rates ranging from 1.5% to 3%. Additionally, matching loans for regions and municipalities were offered at zero interest to support the social finance ecosystem, resulting in returns below market rates.

(Cumulative amount 2019-2023)



## Social Finance Portfolio

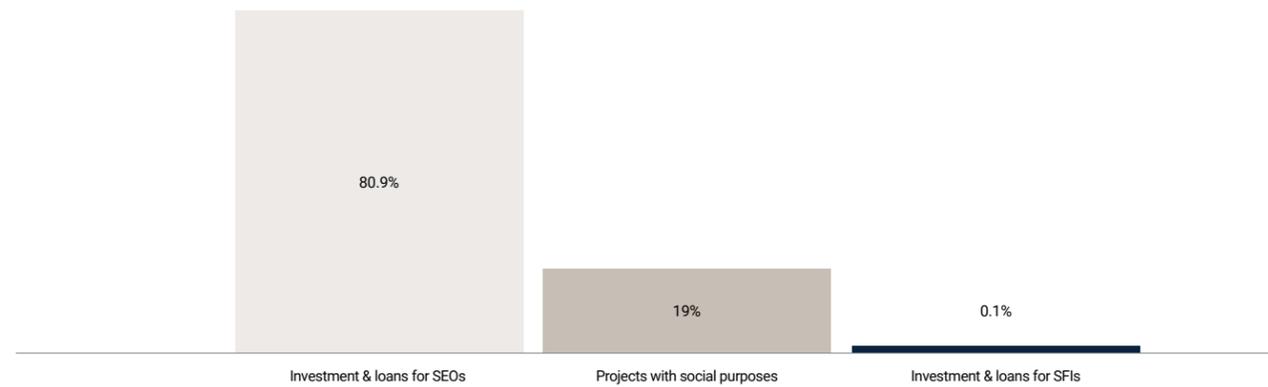
### Composition of the Portfolio

The portfolio is composed of investments and loans categorized by growth stage, type, and financial needs. In 2023, 80.9% of the funding was allocated to social economy enterprises, including social ventures and impact-oriented startups; 19.0% supported projects with social missions such as Social Impact Bonds (SIBs) and social housing; and 0.1% went to direct investments and loans to social finance intermediaries. The total funding for social purpose projects amounted to KRW 3.41 billion, which included KRW 1.2 billion for SIBs, KRW 30 million for loans to the platform drivers union, KRW 490 million for investments and loans to solar photovoltaic projects on SME factory roofs, KRW 800 million for social housing loans, and KRW 370 million for local ownership projects, including medical cooperatives.

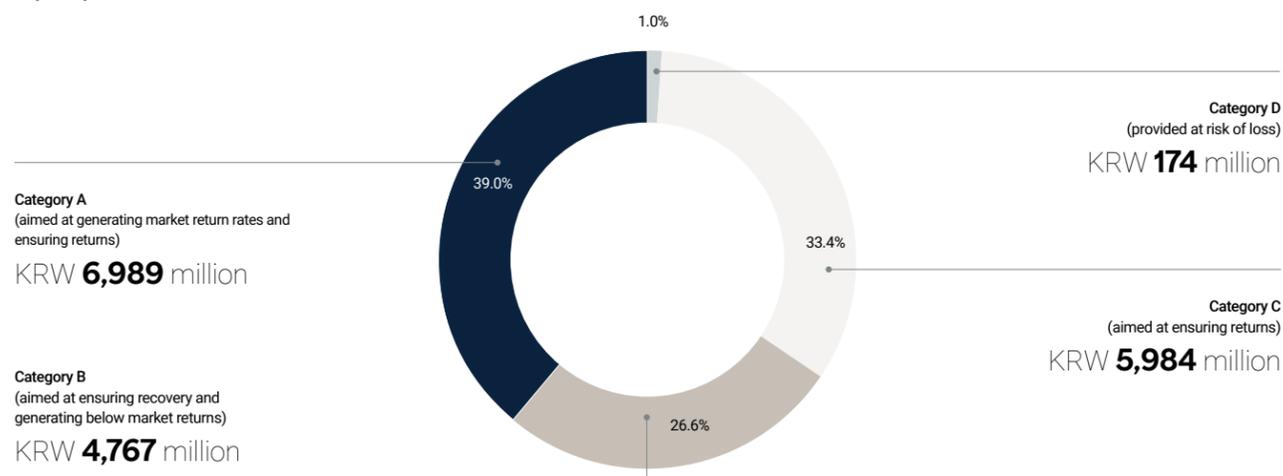
### Impact Spectrum

The management of SVS's investments and loans is tailored to the unique aspects of social finance, which prioritizes the pursuit of social value. The impact portfolio is segmented into four categories based on the balance of financial and social value. In 2023, 39.0% of investments and loans fell into Category A, targeting principal recovery and a market rate returns. Categories B and C, which accounted for 60.0% of the portfolio, aimed for below-market rate returns or principal recovery, valuing social impact. Meanwhile, Category D, making up 1.0% of the portfolio, accepted the risk of non-principal protection to maximize social value and support intermediary institutions.

#### Composition of the Portfolio



#### Impact Spectrum



## Overview of Social Finance Provision by Type

In 2023, SVS and social finance intermediaries collectively provided a total of KRW 95.58 billion to 280 social economy enterprises (276 when excluding those related to social purpose projects) through direct and indirect joint investment and loan programs.

### Investment Types

A total of KRW 87.414 billion was allocated to 181 companies through investments in 2023. Investments varied by the company's growth stage, from seed to series B or C, using diverse financial instruments such as common or preferred stock, convertible preferred stock, redeemable convertible preferred stock, and convertible bonds. In terms of the number of invested companies, 49.7% of our investments were in seed-stage companies and 28.2% in social economy enterprises with proven business models. Regarding investment vehicles, 51.9% were redeemable convertible preferred stock (RCPS) and 30.9% common stock (CS). By amount invested, 67.7% was directed to companies at series A and above, while 12.9% targeted pre-series A companies, and 19.4% seed-stage companies. Among the types of investments, redeemable convertible preference stock (RCPS) represented the largest share at 78.6%.

### Loan Types

In 2023, loans totaling KRW 5.375 billion were distributed to 125 companies. Of these, 38.9% were allocated for facility funds and 61.1% for working funds. By the number of companies receiving loans, facility funds were primarily utilized by those in their first to third year of operation, comprising 8.1% of the total. Meanwhile, support for working funds was primarily directed at social economy enterprises aged between four and ten years. In terms of loan amounts, the largest portion of facility funds (72.5%) went to companies in their seventh year or later, while working funds predominantly supported companies in their fourth year or later.

#### Number of investees (amount)

(Unit: number of investees, million KRW)

	Seed	Pre-series A	Series A	Series B~C	Total
Convertible Bonds(CB)	4 (1,700)		3 (3,241)	1 (666)	8 (5,607)
Convertible Preferred Stock(CPS)	14 (2,030)	2 (600)	5 (2,076)		21 (4,706)
Common Stock(CS)	46 (5,181)	6 (1,276)	4 (1,300)		56 (7,757)
Redeemable Convertible Preferred Stock(RCPS)	24 (7,431)	21 (9,392)	39 (34,975)	10 (16,937)	94 (68,735)
Simple Agreement for Future Equity(SAFE)	2 (609)				2 (609)
<b>Total</b>	<b>90</b> (16,951)	<b>29</b> (11,268)	<b>51</b> (41,592)	<b>11</b> (17,603)	<b>181</b> (87,414)

#### Number of loanees (amount)

(Unit: number of loanees, million KRW)

	Year 0~3	Year 4~6	Year 7~10	Year 11 or older	Total
Facility Fund	9 (296)	7 (277)	12 (503)	4 (1,014)	32 (2,090)
Working Fund	7 (190)	30 (1,105)	32 (884)	24 (1,104)	93 (3,284)

OVERVIEW OF SOCIAL FINANCE INTERMEDIARIES

## Social Finance Intermediaries in Investment and Loan Activities

The SVS serves as a social finance wholesale fund, aiming to indirectly invest and lend through social finance intermediaries. As of the end of 2023, our network comprises 20 intermediaries—10 specializing in loans and 10 in investments. These intermediaries have a deep understanding of the social economy and are dedicated to promoting social value. Through their expertise, we finance the growth of social economy enterprises. We partner with a diverse array of social finance intermediaries specializing in early-stage investment. These include accelerators that identify, incubate, and invest in social ventures and enterprises, venture capital firms focusing on post-series pre-A social ventures, and generalist private equity firms dedicated to scaling impact companies. Additionally, we are strengthening our collaborations with social finance loan intermediaries to bridge financial gaps in the social economy ecosystem. This effort includes partnerships with national nonprofit loan intermediaries, such as incorporated associations and foundations, regional loan intermediaries, and those specializing in specific types of social economy enterprises or sectors aligned with social economy network organizations. The SVS and its partners engage in various types of projects, including social economy lending projects and social impact fund projects (focusing on local development, social enterprises, urban regeneration, etc.). Moreover, we support diverse initiatives with social missions, such as the Social Housing Tenant Protection Fund Project and Social Impact Bonds (SIBs).

Name	Partnership type	SFI type	Region served	Target investees
<b>Investments</b>				
D3 Jubilee Partners, Inc.	Social impact fund	Venture capital	Nationwide	Impact-oriented startups and SMEs
Sopoong Ventures, Inc.	Social impact fund (local fund included)	Venture capital, accelerator	Nationwide	Impact creating enterprises
Ark Impact Asset Management, Inc.	Social impact fund	General private equity firm(PEF)	Nationwide	Social impact creating enterprises
MYSC, Inc.	social enterprise fund (local fund included)	Accelerator	Nationwide	Impact-oriented startups and local enterprises
Impact Square, Inc.	social enterprise fund (local fund included)	Accelerator	Nationwide	Impact creating enterprises
Blue Point Partners, Inc.	Social innovation tech fund	Accelerator, startup-specialized PEF	Nationwide	Early-stage innovative tech startups
TBT, Inc.	Social innovation tech fund	Venture capital	Nationwide	Startups and SMEs
Coolidge Comer Investment, Inc.	Urban renewal fund	Venture capital	Nationwide	Startups, innovative tech ventures, social enterprises
Pan Impact Korea Ltd.	Social performance reward	SIB executor	Nationwide	Local governments' SIB projects
National Association of Civic Energy Cooperatives	Energy cooperative self-reliance fund (loan)	Specialized intermediary(sector-specific)/ social economy network	Nationwide	Local energy cooperatives
<b>Loans</b>				
Gyeongnam Social Value Finance, Inc.	Social economy loans	Regional loan provider, preliminary social enterprise	Gyeongnam	SEOs in Gyeongnam province
Jeonbuk Social Economy Network	Social economy loans	Regional loan provider, social economy network	Jeonbuk	SEOs in Jeonbuk province
BAND	Social economy loans	Nationwide loan provider	Nationwide	SEOs and its employees
Joyful Union	Social economy loans	Nationwide loan provider	Nationwide	SEOs and small businesses
Korean Association of Local Self-help Centers	Social economy loans	Type-specific intermediary, social economy network	Nationwide	Local self-help centers, self-help enterprises, local residents
Korea Social Housing Association	Social housing enterprise loans	Sector-specific intermediary, social economy network	Nationwide	Social housing developers/managers(SEOs, etc.)
Gyeonggi Jeil Credit Union	Social economy loans	Regional loan provider, credit union	Pyeongtaek	SEOs
Daegu Social Value Finance	Social economy loans	Regional loan provider	Daegu	SEOs and its employees
We Together Social Cooperative	Social economy loans	Nationwide loan provider	Nationwide	Self-help enterprises and their mutuals or loan programs
Jeju Social Economy Network	Social economy loans	Regional loan provider, social economy network	Jeju	SEOs in Jeju province

### Assets Under Management(AUM) by Intermediaries

According to a survey of the 20 intermediaries partnered with the SVS, total assets under investment and loan management in 2023 were approximately KRW 611 billion, marking a 16.6% increase from the previous year. Coolidge Corner Investment, D3 Jubilee Partners, and Bluepoint Partners collectively managed KRW 378.5 billion, representing 63.4% of the total assets under management of the surveyed intermediaries. Accelerators such as Sopoong Ventures, MYSC, and Impact Square experienced significant growth in assets under management. By 2024, these intermediaries are projected to manage approximately KRW 760 billion in assets, reflecting a 25.0% year-on-year increase. Meanwhile, loan intermediaries, which typically have smaller asset volumes, are expected to manage around KRW 67 billion in total assets.

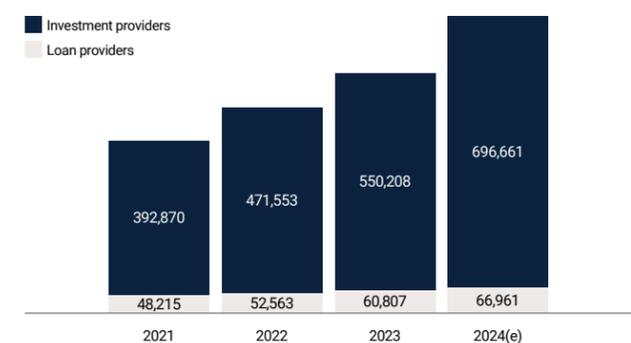
### Number of Enterprises Supported by Intermediaries

In 2023, the 20 intermediaries partnered with the SVS supported a cumulative total of 1,570 companies through investments and loans—an increase of 16.9% year-on-year. This total includes 1,082 companies supported by loan intermediaries and 488 by investment intermediaries. A survey of the loan intermediaries indicates plans to expand lending in 2024; however, there is anticipated uncertainty due to a deteriorating support environment for the social economy.

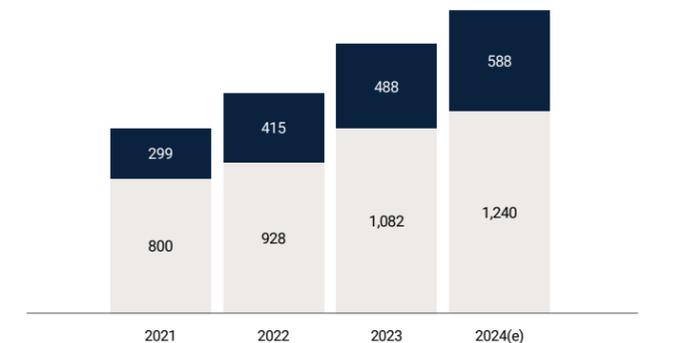
### Employee Count and Business Tenure of Intermediaries

The 20 intermediary organizations, in which the SVS has made investments and loans, collectively employ 362 people, with 93% being full-time and 7% part-time employees. These intermediaries have been operational for an average of 11.2 years—10.4 years for investment intermediaries and 11.9 years for loan intermediaries. The average number of employees per organization is 18, ranging from a minimum of one to a maximum of 63, varying by industry, years in operation, and assets under management. Accelerator intermediaries, requiring a larger workforce to identify, invest in, and nurture early-stage companies, typically employ more staff compared to regional loan intermediaries.

AUM by intermediaries (Unit: million KRW)



Number of enterprises supported by intermediaries (Unit: number of enterprises)



## Overview of SVS's Investment and Loan Activities by Intermediary Type

In 2023, SVS partnered with 20 social finance intermediaries, distributing KRW 10.870 billion to 10 investment intermediaries and KRW 5.653 billion to 10 loan intermediaries. The types of intermediaries that received the highest concentration of SVS's investments and loans included accelerators (26.1%), venture capital firms (16.5%), and nationally-based loan intermediaries (15.9%).

The funds provided by SVS are combined with the intermediaries' own funds and other sources to finance social economy enterprises. Regarding the distribution of investment and loan amounts, venture capital firms (45.3%), general private equity firms (24.2%), and accelerators (23.6%)—which manage social impact funds—have proven to be the most effective at channeling investments and loans to ground-level operations. Regarding the number of SEOs supported, investment accelerators led with 37.7% (115 enterprises), followed by venture capitals with 17.7% (54 enterprises), and national and regional-based loan intermediaries with 31.1% (95 enterprises). These figures highlight the critical roles of accelerators in nurturing and incubating social economy enterprises and of loan intermediaries in supporting the growth of these enterprises.

### Pledged capital and number of investees by SFIs

(Unit: million KRW, %, number of enterprises)

Type	Partner SFIs	SVS pledged amount		Amount executed by SFIs		Number of enterprises served	
<b>Investment providers</b>							
SIB executor	Pan Impact Korea	1,200	7.3%	1,200	1.3%	2	0.7%
Venture capital	D3 Jubilee Partners, Inc. TBT, Inc. Coolidge Comer Investment, Inc.	2,730	16.5%	42,500	45.3%	54	17.7%
Accelerator	Sopoong Ventures, Inc. MYSC, Inc. Impact Square, Inc. Blue Point Partners, Inc.	4,309	26.1%	22,179	23.6%	115	37.7%
General PEF	Ark Impact Asset Management, Inc.	2,500	15.1%	22,705	24.2%	11	3.6%
Sector-specific investment provider	National Association of Civic Energy Cooperatives	131	0.8%	211	0.2%	10	3.3%
<b>Loan providers</b>							
Nationwide loan provider	Joyful Union, BAND	2,625	15.9%	1,524	1.6%	47	15.4%
Regional loan provider	Gyeongnam Social Value Finance, Inc. Jeonbuk Social Economy Network Gyeonggi Jeil Credit Union Daegu Social Value Finance Jeju Social Economy Network	928	5.6%	1,773	1.9%	48	15.7%
Sector-, region-specific loan providers	Korean Association of Local Self-help Centers Korea Social Housing Association We Together Social Cooperative	2,100	12.7%	1,740	1.9%	18	5.9%
<b>Total</b>			100.0%	93,832	100.0%	305	100.0%

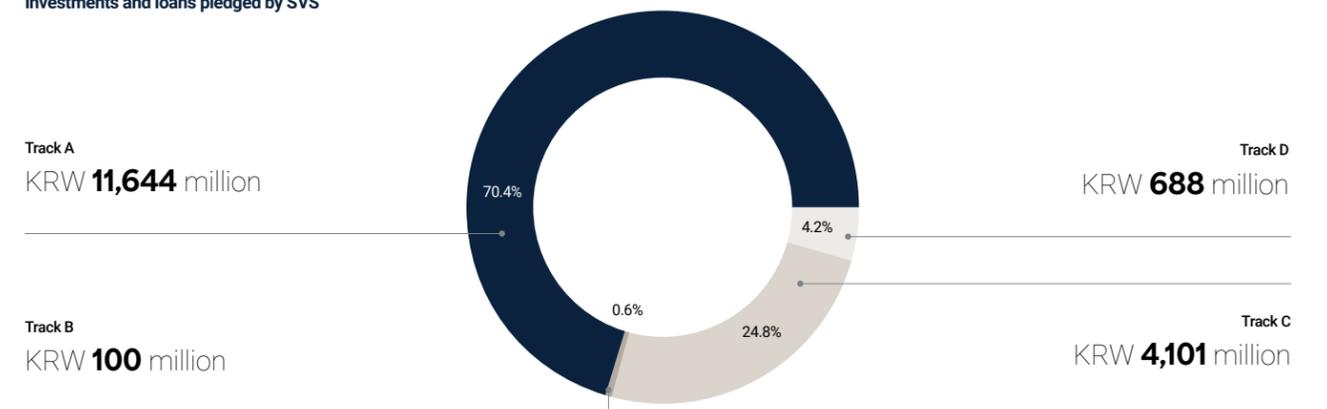
\*Including number of enterprises received investments or loans from multiple SFIs

## Fostering Social Finance Intermediaries

The SVS has established four development tracks (Tracks A-D) to support social finance intermediaries through investments, loans, and program partnerships, all aimed at developing a social finance ecosystem. Track A aims to scale up existing intermediaries, while Track B explores new models of collaboration. Track C focuses on encouraging and facilitating the transition into social finance intermediaries, and Track D supports the establishment and stabilization of new ones.

As of the end of 2023, the emphasis was on scaling up and proliferating social finance intermediaries, with 70.4% of investment and loan commitments falling under Track A and 24.8% allocated to Track C. Track B was focused on experimenting with new wholesale funding models, while Track D concentrated on supporting the stabilization of emerging regional intermediaries. Specifically, we have expanded the financing available to regional social economy enterprises by providing matching loans to self-help funds of social economy networks outside of Seoul, in Pyeongtaek, Daegu, Jeju, and Jeonbuk.

### Investments and loans pledged by SVS



Track	Purpose	Aims considered	Investment/loan portfolio
<b>Track A</b>	To help existing SFIs increase their reach and investment by adding more to their assets	- <b>Investment:</b> Promote social impact funds - <b>Loans:</b> Provide financial resources exclusively for SEOs	- Founding capital for D3 Social Impact Fund and Ark Impact Fund - SEO-specific loans through BAND, Joyful Union, and Assoc. of Local Self-help Centers - Loans to Jeju Social Economy Network - Social impact bond projects - Participating as a LP in social enterprise funds, local impact funds, etc.
<b>Track B</b>	To establish new models of partnership and solidarity projects with existing SFIs	- Design and test pilot partnership projects	- Matched loans for Pyeongtaek Social Economy Self-help Fund
<b>Track C</b>	To help organizations transform into SFIs	- <b>Investment:</b> Foster early-stage and startup enterprises and increase investors' impact investments - <b>Loans:</b> Provide support for specific industries/ types of SEOs and support networks' social finance projects	- Founding capital for social innovation technology and urban renewal funds - Tenants' deposit insurances by Social Housing Association and other financial projects for social housing - Providing capital to construction of thematic social housing projects - Matched loans for National Association of Civic Energy Cooperatives
<b>Track D</b>	To induce establishment and stabilize operations of new SFIs	- Help new SFIs launch new local social finance services - Help SFIs build capabilities and increase assets under management	- Matched loans for Jeonbuk social economy funds run by local governments - Matched loans for Daegu Social Value Finance Self-help Fund - Loans to Gyeongnam Social Value Finance

OVERVIEW OF SOCIAL ECONOMY ENTERPRISES

## Social Economy Enterprises Participating in Investments and Loans Programs

In 2023, the SVS and social finance intermediaries provided a total of KRW 95.58 billion to 280 social economy enterprises (276 when excluding those related to social purpose projects) through direct and indirect investment and loan programs.

### Types of Social Economy Enterprises

The 276 social economy enterprises that received investments and loans were categorized as follows: 42.8% were social ventures, 38.8% were social enterprises and preliminary social enterprises, 6.5% were cooperatives, and 5.8% were self-sufficiency enterprises and community enterprises. The majority of support was directed towards social ventures and social enterprises.

\* It should be noted that if a business qualifies as both a self-sufficiency enterprise, community enterprise, or cooperative, and as a social enterprise, it is classified under social enterprises. This classification method may lead to underrepresentation in the other categories.

### Types of Social Purpose Realization in Social Enterprises and Preliminary Social Enterprises

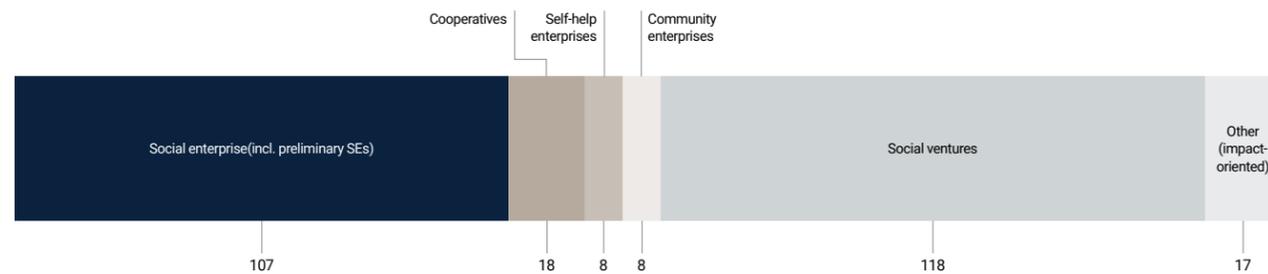
Among the 107 social enterprises and preliminary social enterprises, the majority, representing 47.7%, primarily aimed to fulfill the traditional social purpose of providing jobs, the highest proportion for any social purpose. Social enterprises focused on creative and innovative purposes accounted for 22.4%, reflecting a trend toward generating social value through innovation.

\* This classification of social enterprises and preliminary social enterprises is based on the legal typology of social enterprises in Social Enterprise Promotion Act in Korea.

The regional distribution of investments and loans facilitated by social finance intermediaries in partnership with the SVS was 43.8% in Seoul metropolitan areas and 55.4% elsewhere. Notably, Jeonbuk accounted for a significant 12.7% due to the influence of the Jeonbuk Local Government Social Economy Fund Matching Loan Program, which has been active for the past three years. Financial support for social economy enterprises in Daegu rose to 6.9% following the initiation of the Daegu Self-government Fund Matching Loan Program in 2023. The concentration of companies outside the Seoul metropolitan areas,

which have received investments and loans from the SVS, is largely due to the Foundation's loan policy. Over 70% of support is designated for social economy enterprises located outside the Seoul Metropolitan Area, and funds are provided through matching loans from local government social economy funds. For investments, this regional focus aims to develop a robust social economy ecosystem by engaging as a strategic LP investor in region-specific social impact funds, including those in Gangwon, Gyeongnam, and Gyeongbuk.

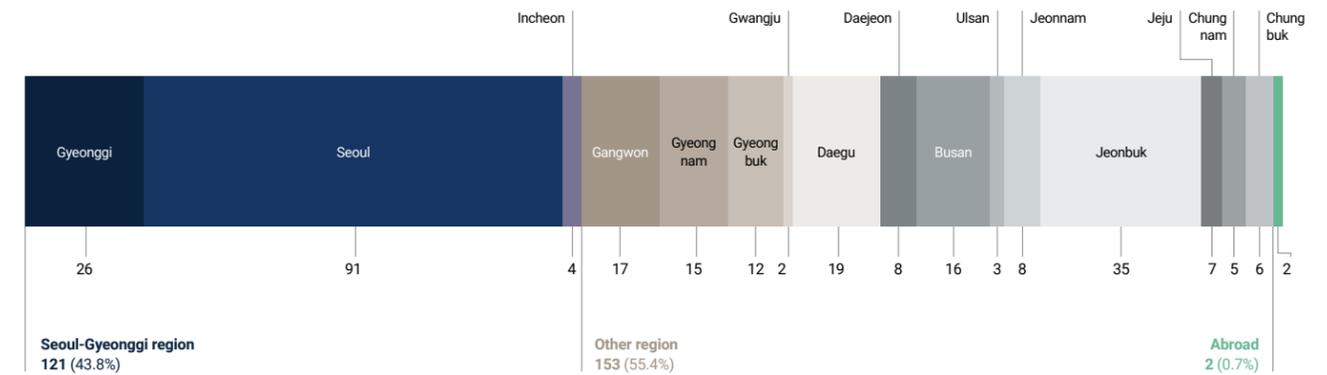
Social Economy Organizations by Type



Social Economy Organizations by Function



Social Economy Organizations by Region



### Distribution of Investments and Loans by Industry

The manufacturing sector holds the largest share of social economy enterprises at 23.9%. This is followed by professional and technical services (10.9%) and information services (10.5%), which reflects the growing trend of social economy enterprises leveraging digital platforms for social innovation. Health and social services represent 8.3% of the total, highlighting the active involvement of social enterprises in care and long-term care services. Additionally, education services account for 5.9% and

include initiatives such as providing support specialized for children with disabilities, promoting traditional games, and offering craft education. The diverse representation of social economy enterprises across the standard industry classifications in the social finance wholesale fund's investment and lending portfolio, highlighted by leading companies in each sector, emphasizes the critical role these enterprises play in tackling social issues while participating in financial activities across a range of industries.

Social Economy Organizations by Industry

(Unit: Number of enterprises)



Industry (KSIC code)	N	%	Examples
■ Agriculture, forestry, fishery (01 to 03)	8	2.9	Managing local fishery inventories, collaborative sales of fairtrade cacao with Jeju farmers, smart insect farms
■ Manufacturing (10 to 34)	66	23.9	Fashion upcycling, manufacturing fabrics from waste oil, manufacturing insect feed from food wastes
■ Electricity, gas, steam, waterworks (35)	11	4.0	Developing and servicing retail neighbor-to-neighbor power grid
■ Sewage/waste treatment, recycling and environmental restoration (36 to 39)	13	4.7	Participatory solar energy project using idle public land, marine waste recycling
■ Construction (41 and 42)	6	2.2	Providing home repair, maintenance, and other housing-related services (mostly self-help enterprises catering to underprivileged clients)
■ Wholesale and retail (45 to 47)	25	9.1	Distributing chicken alternative, recycling and selling secondhand clothing, rebranding local liquors
■ Transportation (49 to 52)	1	0.4	Taxi service for hearing-impaired clients using special software
■ Hospitality (55 to 56)	7	2.5	Transforming closed shipyard into a space of culture and arts, hiring immigrant women to work in restaurants
■ Publishing, filming, broadcasting and information services (58 to 63)	29	10.5	Aid for the hearing-impaired, pocket money management platform, digital service for storing children's drawings
■ Finance and insurance (62 to 66)	4	1.4	Overseas remittance service for migrant workers, renewable energy project, impact crowdfunding providing loans
■ Real estate (68)	12	4.3	Local space and content planning, urban renewal projects involving idle spaces, social housing construction and leasing
■ Expert, scientific, technological services (70 to 73)	30	10.9	Dementia-treatment patch, micro-needles for vaccination in developing countries, marine oil spill recovery robotics
■ Facility maintenance services (74 to 76)	11	4.0	Cleaning service hiring underprivileged groups, food container rental and recovery, waste collection
■ Public administration, defense, and social security (84)	1	0.4	Providing comprehensive range of services for local social economy (social cooperatives)
■ Education/early childhood services (85)	15	5.4	Training and therapy for local children, folk game training, arts and crafts classes, local contents
■ Health and social services (86 and 87)	22	8.0	Home-nursing/care, senile dementia care, long-term care, language rehabilitation
■ Arts, sports, and leisure services (90 and 91)	11	4.0	Sports programs hiring underprivileged groups, culture and art shows
■ Group and personal services (94 to 96)	4	1.4	Mutual aid for funerals for nongovernmental activists, toy repair and resale
<b>Total</b>	<b>276</b>	<b>100.0</b>	

## Overview of Social Economy Enterprises Participating in Social Finance Programs

The average age of social economy enterprises engaged in the investment and loan programs through social finance intermediaries in partnership with the SVS is 6.14 years. Early-stage enterprises (3 years or younger) represent 26.9% of participants, while early growth-stage enterprises (4-6 years) comprise 37.5%. Early social economy enterprises make up 64.4% of the total. Additionally, 23.9% of companies are in the 7-10 year growth stage, and 11.7% have reached the mature stage of 11 years or more.

### Volume of Turnover

As of the end of 2022, the total turnover for the social economy enterprises was KRW 494.3 billion, based on responses from 264 enterprises. Enterprises in the 7-10 year growth stage accounted for the largest share of turnover at 37.7%. The average (median) turnover size increased with the growth of the enterprises: early-stage enterprises averaged KRW 153 million, early growth stage enterprises KRW 384 million, and growth-stage companies KRW 691 million.

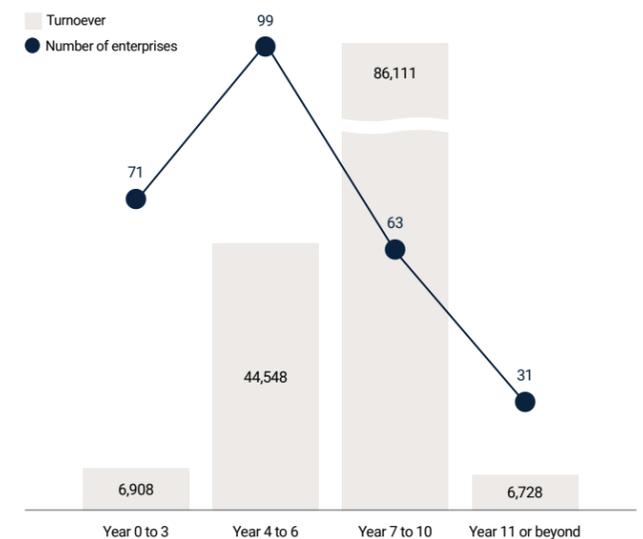
### Volume of Assets

By the end of 2022, the total assets of social economy enterprises participating in investment and lending programs through social finance intermediaries reached KRW 965 billion, based on responses from 264 enterprises. Enterprises aged 4-6 years held the largest share of assets at 39.9%, followed by those aged 7-10 years at 30.3%. The average asset size by operational year was KRW 800 million for enterprises between 4 and 10 years, and KRW 2.1 billion for those over 11 years old.

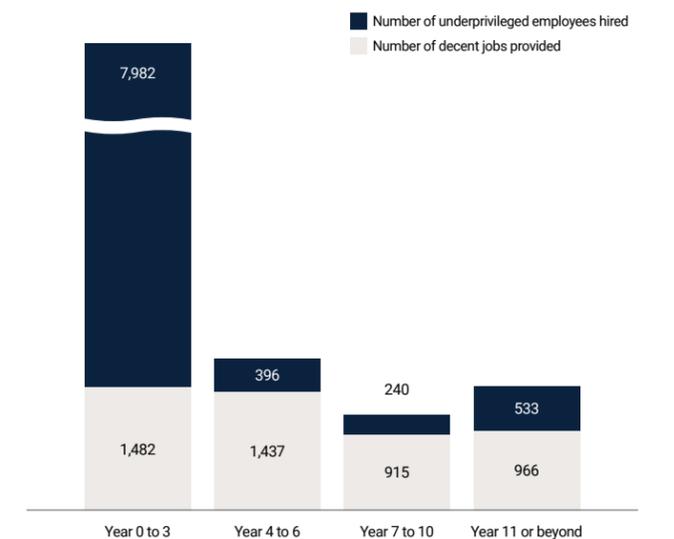
### Employment Overview

In 2023, social economy enterprises engaged in investment and loan programs by intermediaries partnered with the SVS employed 13,873 individuals, based on responses from 264 enterprises. Of these, 10,984 employees (79.2%) were in enterprises six years old or younger. Enterprises reported a total of 9,151 employees from vulnerable groups, representing 66% of the workforce. The total labor cost for these enterprises was KRW 167.9 billion, with a labor cost to turnover ratio of 34%. This is significantly higher than the 11.7% ratio across all industries in 2022, as reported by the Korean Statistical Information Service, highlighting the social economy's focus on job creation. The median number of employees per company was 11, with mature companies (11+ years old) employing the most, averaging 18 employees.

Turnover | Number of enterprises (Unit: million KRW, number of enterprises)



Number of employment (Unit: number of jobs)





PART II. THE IMPACT OF INVESTMENT AND LOANS BY SVS

# THE IMPACT OF INVESTMENTS AND LOANS

[UN SDGs Impact Framework](#)

[SVS Impact Goals Classification](#)

[Changes in the SVS Impact Portfolio](#)

# UN SDGs Impact Framework

The SVS utilizes the impact framework of the UN Sustainable Development Goals (SDGs) to define the impact areas targeted by each investment and loan. This approach clarifies the Foundation's role as a social finance wholesaler in developing the social economy and financial ecosystem by allowing for precise measurement and management of its contributions.

## Investment and Loan Amount | Number of Companies

In 2023, the SVS provided KRW 95.58 billion to the social economy ecosystem through social finance intermediaries' investment and lending programs that matched with various financial resources. Distribution of funds by UN-SDG categories showed the largest allocations to SDG 11 (Sustainable Cities and Communities) at 24.3%, SDG 3 (Good Health and Well-being) at 15.2%, and SDG 8 (Decent Work and Economic Growth) at 14.1%. A total of 280 companies received funding in 2023. Among these, SDG 8 accounted for 25.0% of the investments and loans, reflecting the significant employment impact of social economy enterprises, followed by SDG 3 at 14.6%, and SDG 11 at 11.1%.



Amounts of investment and loans | Number of enterprises

(Unit: million KRW, Number of enterprises)



## SVS Impact Goals Classification

The SVS employs the SVS Impact Goal (SIG) to assess the social value orientation of its investment and loan programs and to monitor the areas of social value creation of its investees.

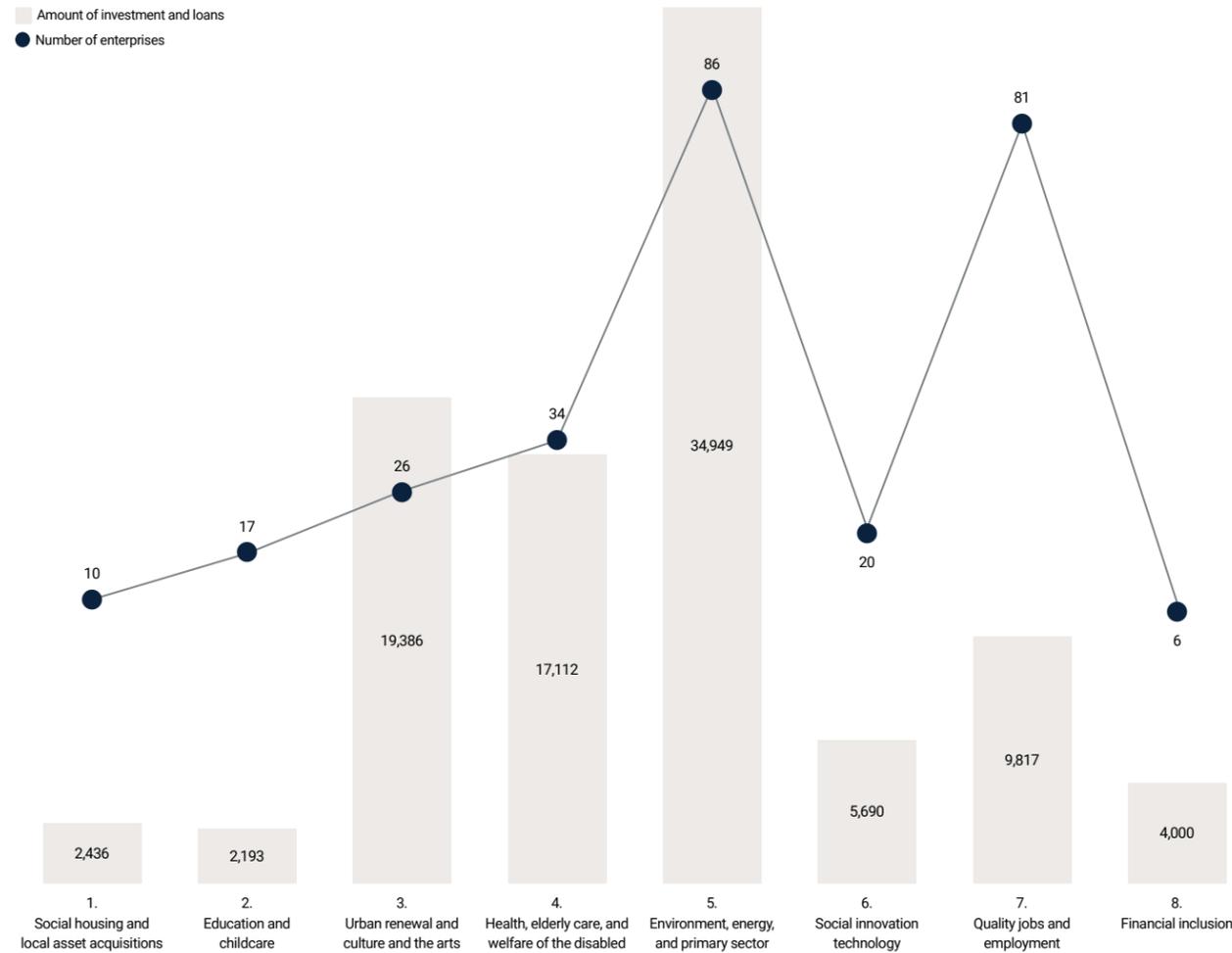
### Investment and Loan Amount | Number of Enterprises

In 2023, the SVS provided KRW 95.58 billion to the social economy ecosystem through social finance intermediaries' investment and lending programs that matched with various financial resources, with the most significant shares distributed as follows: 36.6% to SIG 5 (Environment, Energy, Agriculture, and Fisheries), 20.3% to SIG 3 (Urban Regeneration, Arts, and Culture), and 17.9% to SIG 4 (Health, Senior Care, and Disability Welfare). Out of 280 companies receiving funding in 2023, 86 enterprises were in SIG 5 (Environment, Energy, Agriculture, and Fisheries), comprising 30.7% of the total. This was followed by 81 enterprises in SIG 7 (Decent Work and Employment), representing 28.9%, and 34 enterprises in SIG 4 (Health, Care for seniors, and Disability Welfare), accounting for 12.1%.



Amounts of investment and loans | Number of enterprises

(Unit: million KRW, Number of enterprises)

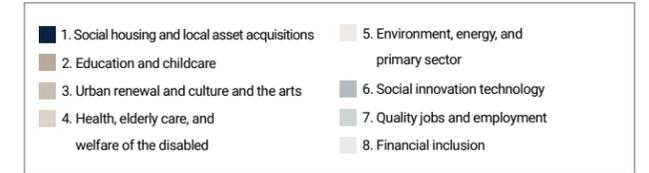


## Changes in the SVS Impact Portfolio

The SVS annually monitors changes in its impact portfolio concerning investments and loans made to social economy enterprises.

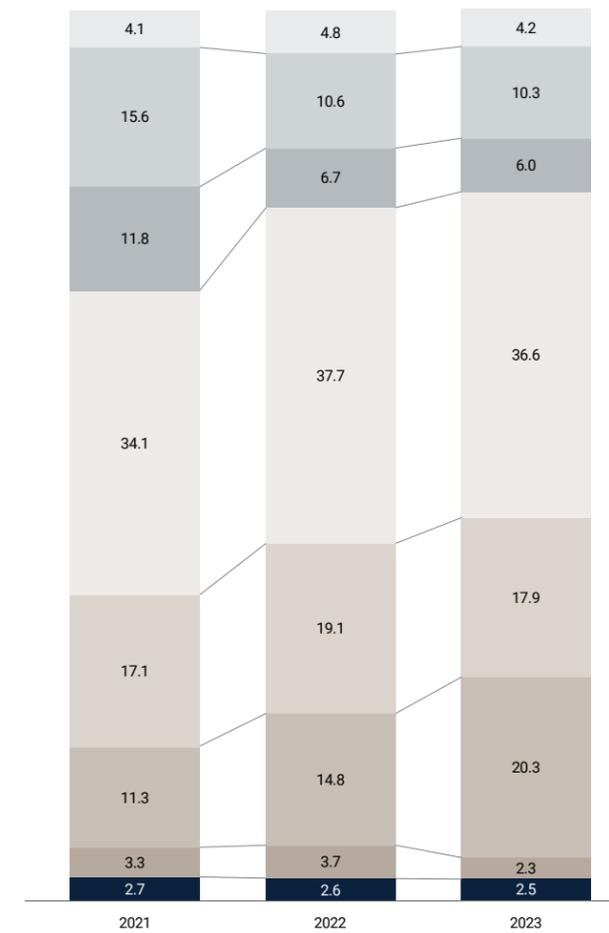
### Investment and Loan Amount | Number of Enterprises

Changes in the allocation of SVS impact areas for managing fund investments and loans include a 5.5 percentage point year-on-year increase in investment and loan amounts for SIG 3 (Urban Regeneration, Culture, and Arts). In terms of the number of enterprises receiving investments and loans, SIG 7 (Decent Work, Employment) showed a notable increase of 7.1 percentage points year-on-year.



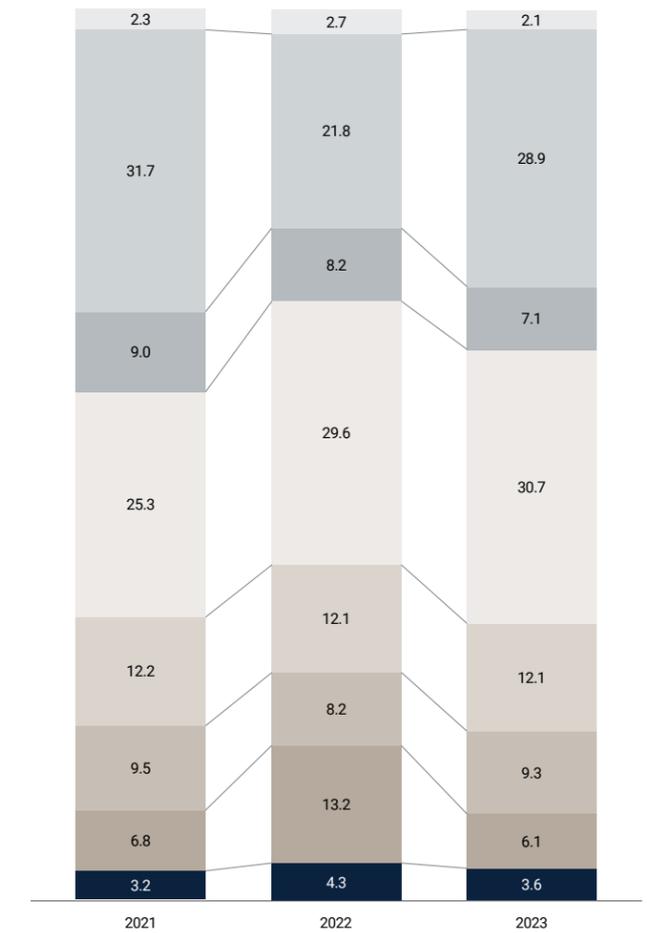
Amount of investment and loans

(Unit: %)



Number of enterprises

(Unit: %)



# APPENDIX

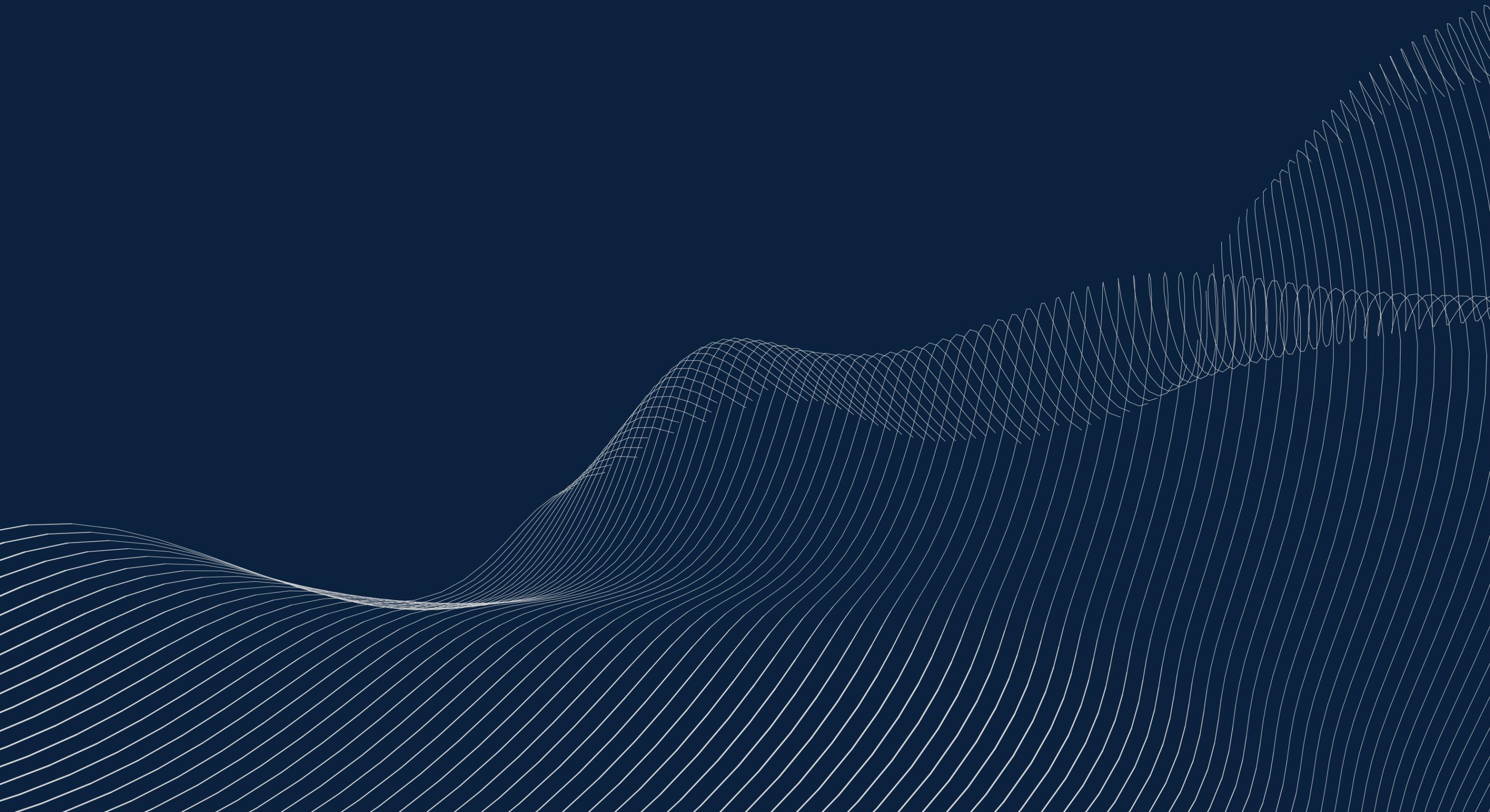


[Introduction of SVS](#)

[History of SVS](#)

[Financial Statements](#)

[Partner Organizations in 2023](#)



## Introduction of SVS

The Korea Social Value Solidarity Foundation was launched in January 2019 as the country's first social finance wholesale fund in Korea with the mission of building vibrant social finance ecosystem. It provides patient capital for the growth of social economy enterprises and invests in social projects to prevent and solve social problems and revitalize the local economy. It supports and nurtures the activities of social financial intermediaries that pursue social value over profit.

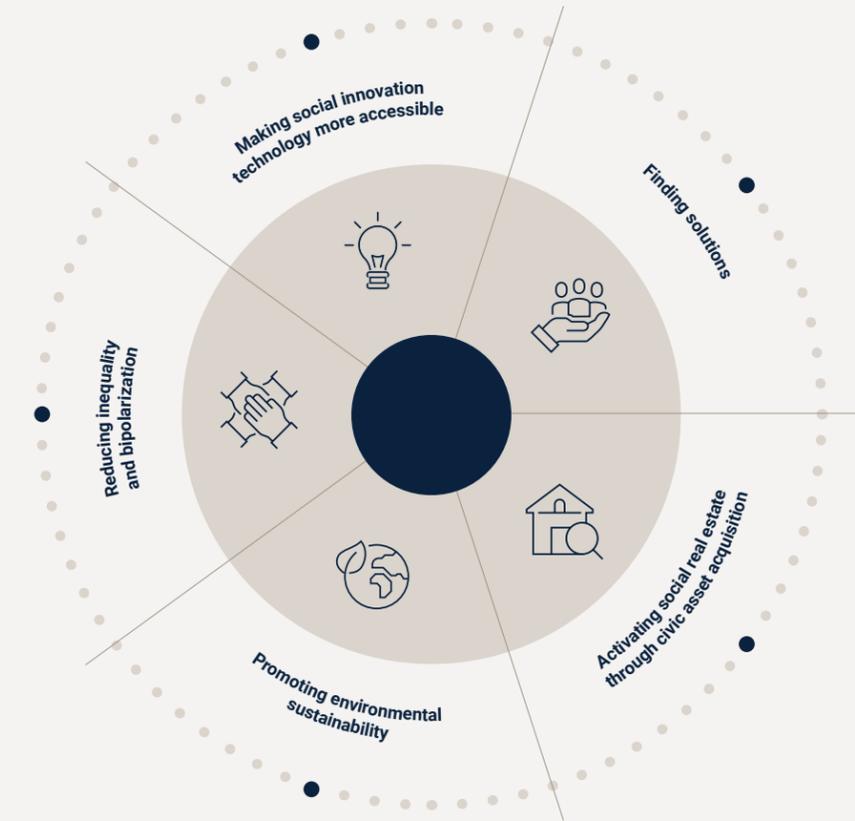
(As of April 2023, in Korean alphabetical order)

## Board of Directors

SVS's Board of Directors has the mission of ensuring that all stakeholder groups together decide how to manage the Foundation's wholesale fund. The Board includes representatives of SEOs, social economy and finance experts, officials of investing governmental institutions, and other stakeholders from the public sector and civil society.

<b>Chair</b>	<b>Song Kyong-Yong</b>	Chair, Sharing and Future, Former Co-chair, Global Social Economy Forum
<b>Directors</b>	<b>Kim Young-sik</b>	Secretary-General, National Social and Solidarity Economy Local Government Association (SSEGOV)
	<b>Kim Jeong-hee</b>	Chair, iCoop Consumer Cooperative Group, CEO, iCOOP Eco-friendly Food Services
	<b>Namgung Cheongwan</b>	Chair, Hyeminseo Social Cooperative, Board member, National Credit Union Federation of Korea
	<b>Park Hak-yang</b>	Former Executive Director, Korea Credit Guarantee Fund
	<b>Yang Dong-su</b>	CEO, Deoham Social Developer Group
	<b>Lee Mi-young</b>	CEO, Fairtrade Korea, Board member, Korea Fairtrade Organization
	<b>Lee Hyun-min</b>	Executive Director, Jeonbuk Regional Development Cooperative
	<b>Chong Won-o</b>	Mayor, Seongdong-gu, Seoul, Former chair, National Social and Solidarity Economy Local Government Association (SSEGOV)
<b>Auditor</b>	<b>Lee Sang-geun</b>	CPA, Ilshin Accounting Corp.

## Focus Areas



## Governance

The SVS consists of a board of directors, a secretariat, and a committee of experts specializing in finance and social economy. Key committees include:

- **Investment Review Committee:** Composed of experts in the financial and social economy sectors, this committee reviews the SVS's investments, loans, guarantees, and other support initiatives.
- **Risk Management Committee:** This committee is organized to proactively manage risks that may arise during business operations.
- **Consultation Committee:** This committee is made up of external experts with backgrounds in finance, economics, labor, and other relevant fields. It operates both a personnel committee and an ethics committee to enhance the foundation's credibility.



## History of SVS

Since coming into being in January 2019 as South Korea's first-ever wholesale fund exclusively focusing on providing social finance, SVS has risen to great challenges, striving to ensure the sustainable growth of SEOs and help establish social finance in Korea.

### 2018

#### Korean government unveils measures to foster social finance

Including measures supporting formation of social finance market, increasing social finance from governmental/public sector, and expanding infrastructure, all toward establishing a financial ecosystem supporting the sustainable growth of the Korean economy (February 8).

#### Steering Group and Inauguration Preparation Committee organized

A steering group was assembled, with government officials, representatives of SEOs, SFIs, and financial experts, to help prepare to launch SVS.

### 2019

#### SVS officially launched

- Ministry of Finance authorizes establishment as nonprofit corporation (December 27, 2018).
- Inauguration ceremony held (January 23, 2019).

#### Agreements signed to help foster and expand infrastructure for social finance

- Working Agreement on Knowledge Exchange and Cooperation (CITIES, March)
- Working Agreement on Supporting Local Community and Solving Youth Issues (University of Seoul, March)
- Agreement on Investment in SIB Projects (Ass'n of Korean Local Governments for Social Economy and Solidarity, March)
- Working Agreement on Development and Use of Social Economy Organization Evaluation System (Korea Credit Guarantee Fund, Social Economy Promotion Agency, Center for Social Value Enhancement Studies, May)
- Working Agreement on Fostering Social Finance and Generating Social Values (Korean Teachers Credit Union, July)

#### Social impact investments begin

Via impact funds

- D3 Impact Venture Investment Fund 2

#### Investments and loans begin via SFIs

Providing loans for SEOs and operating loans and founding capital for SFIs

#### Developing a model of social economy self-help fund

To support young adults and other people disadvantaged on the labor market

#### "Social Finance Today and Future Tasks," a legislative debate, held at National Assembly

In partnership with Democratic Party's Social Economy Committee (September 20)

#### Working agreement on fostering social finance

Working Agreement on Mutual Cooperation with the Association of Banks to Build a Sustainable Ecosystem of Social Finance (November)

### 2020

#### Investments and loans for SEOs increased

- Extra Mile Impact Investment Fund 2
- Social Venture Picnic Investment Fund 1
- Ark Impact Venture Investment Fund
- Blue Point Social Innovation Startup PEF 1
- Impact Square Stepping- Stone Fund for Social Enterprises
- TBT Open Innovation Fund
- Gyeongnam Impact Investment Fund for Youth
- Gangwon Picnic Investment Fund
- Loans for SEOs in Gyeongnam
- Loans for SEOs through nationwide loan providers (Joyful Union, BAND, National Association of Local Self- help Centers)

#### Investing in projects with social purposes

SIB, local asset acquisition, care service, and climate and energy projects, including:

- Seoul SIB Project to Reduce Youth Unemployment
- Local social cooperatives for medical welfare (Ansan and Jeonju)
- Solar panel installations on SME factory rooftops
- Matched loans for crowdfunding campaigns (local asset acquisition, support for local creators)
- Loans to National Synthetic Fiber and F&B Industries Union (Mutual- Aid Society for Sewists)
- Loans for mutual- aid society for workers in irregular employment conditions (in partnership with Seoul Social Investment Fund)

#### Social Value Forum organized to push public sector to do more

Co- hosted with Public Workers Solidarity Foundation, Civil Society Organizations Network, and Ass'n of Korean Local Governments for Social Economy and Solidarity (February 20).

#### Collective Action to Overcome Crisis launched

Raising Disaster Solidarity Fund to support COVID-19 response and provide emergency finance for SEOs (March)

#### Helping SEOs overcome COVID-19

Agreement signed with KOICA to help SEOs overcome COVID-19 (April):

- COVID-19 Support Program for SEOs in Developing Countries launched (August).

#### Seoul Social Housing Safe Insurance

Working agreement signed with Seoul, Korea Credit Guarantee Fund, and Social Housing Association (August).

#### Social Finance Forum, a network of SFIs, launched

With the participation of 25 nongovernmental SFIs, including nonprofits, mutual aid associations, impact investors, crowdfunding platforms, and SIB executors (October).

- Debate on impact investment today held (July).

#### Supporting technological growth of SEOs

2020 KT Warm Technology Challenge launched.

## 2021

### Debates on fostering social finance

- Social Finance Vision Debate (January 12)
- Evaluating Three Years of Social Finance Policy and Remaining Tasks (February 18)
- Social finance webinar ("Labor Solidarity Fund in North America and Implications for Korea") (May 12)
- Impact Investment Today debate (July 2)
- "The Roles and Future of Social Finance Post- COVID-19" (GSEF 2021, October 7)
- Evolving ESG: Introducing People- Centered ESG (Asia Future Forum, October 20)
- Social finance webinar: "Social Finance in Quebec" (November 19)

### Supporting projects with social purposes

Projects on urban renewal, social housing, care, climate, and energy, including:

- Seoul Social Housing Deposit Security Project
- CCVC Our Neighborhood Urban Renewal Fund
- Matched loans for energy cooperatives seeking self- sufficiency
- Matched loans for fund protecting social housing tenants
- Matched loans for Jeonbuk Social Economy Fund

### Policy debate pushing for legislation on workers' mutual- aid cooperatives

Looking for ways to accelerate legislation on mutual-aid cooperatives to enable workers to help one another and work together

### Strengthening international solidarity and cooperation on social finance

Participating in OECD Social Solidarity Economy Consortium, Mexico Forum of Global Social Economy Forum (GSEF), etc.

### Publishing impact reports and organizing briefings

- Analysis on social impact of SVS funding activities published and presented (June 28).

### 2020 Social Finance Survey published

With participation of 25 organizations representing social finance, along with Social Finance Forum (June).

## 2022

### Supporting local social finance

Raising funds and providing matched finance for SEOs, including:

- Gyeongbuk ESG Venture Investment Cooperative for Youth (local government fund supporting local SEOs)
- Daegu Social Value Finance Fund
- Pyeongtaek Social Network Fund

### Building infrastructure and capabilities for social finance

- Publishing demands for social finance during the 20th presidential election(Social Finance Forum, January)
- Supporting crowdfunding for SEOs (Ohmycompany, February)
- Organizing investors relations roundtable on social investment (May)
- Providing capability- enhancement training for SFI employees (July)
- Organizing public debate ("Roles of Social Finance in Local Innovation") (Social Finance Forum, July 8)
- Organizing investor relations briefing on how SEOs are financed (Social Economy Promotion Agency, October)
- Holding roundtables with regional hubs of social finance (Daegu, Gangwon, Jeju, Jeonbuk, Gyeongnam, Gwangju)

### Supporting social housing

- Loans
- Crowdfunding investments
- Roundtable on social housing for youth in Quebec (August 18)
- Re- financing agreement for construction of themed social housing (April 16 Foundation and Korea Social Housing Association, October)

### Supporting social solidarity mutuals

- Public debate on "Promoting Social Solidarity Mutuals for Just Transition in Post- Covid 19 Era" (February 9)
- National Assembly forum on "Improving Legislative Basis to Strengthen Self- Sufficient Social Security Networks and Mutual Aid for Cooperatives" (June 9)
- Media Workers Mutual- Aid Association launched, with working agreement (National Union of Media Workers, November 23)

### Learning groups to help produce policy measures

- Three reports published with Hankyoreh Economy and Society Research Institute ("H- ESG Forum," "People- Centered ESG," and "H- ESG").
- BTSE Learning Group for Imagining the Social Economy of 2030 established and open seminars held.

### Policy research

- Research on how to increase participation by nonprofit corporations in increasing investment in social services(December, 2022)

## 2023

### Expansion of Support for Local and Self-help Funds

Provided matching support for social economy self- help funds and municipal social economy funds, including:

- Jeju Social Economy Self-help Fund Matching Loan
- Jeonbuk Social Economy Fund Matching Loan
- Jeonju Social Economy Fund Matching Loan

### Support for Establishing Local Social Economy Ecosystems

- Extra Mile Impact Investment Fund 6
- 416 Foundation's thematic refinancing project

### Hosting of the 2023 Social Finance Forum on Sustainable Finance

- Titled 'Financing Our Common Future: Role of Finance for Sustainable World', held on 25- 26 May 2023
- Featured 21 conference sessions, Social Finance Frontiers Awards, Social Investment IR forum
- Co- hosted with the Korea Financial Industry Foundation

### Social Finance Empowerment

- Conducted capacity building training for social finance intermediaries nationwide
- Conducted capacity building training for regional social finance Intermediaries
- Coordinated a briefing on financing for social economy enterprises nationwide in collaboration with the Korea Social Enterprise Promotion Agency
- Published the 2023 Guide to Financing for Social Economy Enterprises (Ministry of Employment and Labor, Korea Social Enterprise Promotion Agency)

### Strengthening International Solidarity and Cooperation in Social Finance

- Translated and published the 2023 GIInsight, international impact investing report
- Attended GSEF 2023 General Assembly (Dakar, May 2023)
- Participated in AVPN 2023 Forum (Kuala Lumpur, June 2023)
- Hosted a labor movements and the social finance webinar (October 2023)
- Attended GSEF Asia Policy Dialogue (Seoul, October 2023)
- Participated in the CIRIEC 2023 General Assembly (Seoul, October 2023)
- Attended GSG Impact Summit 2023 (Malaga, October 2023)
- Hosted an information session for GABV Regional Representatives for Asia- Pacific (November 2023)

### Development and Dissemination of Social Finance Content

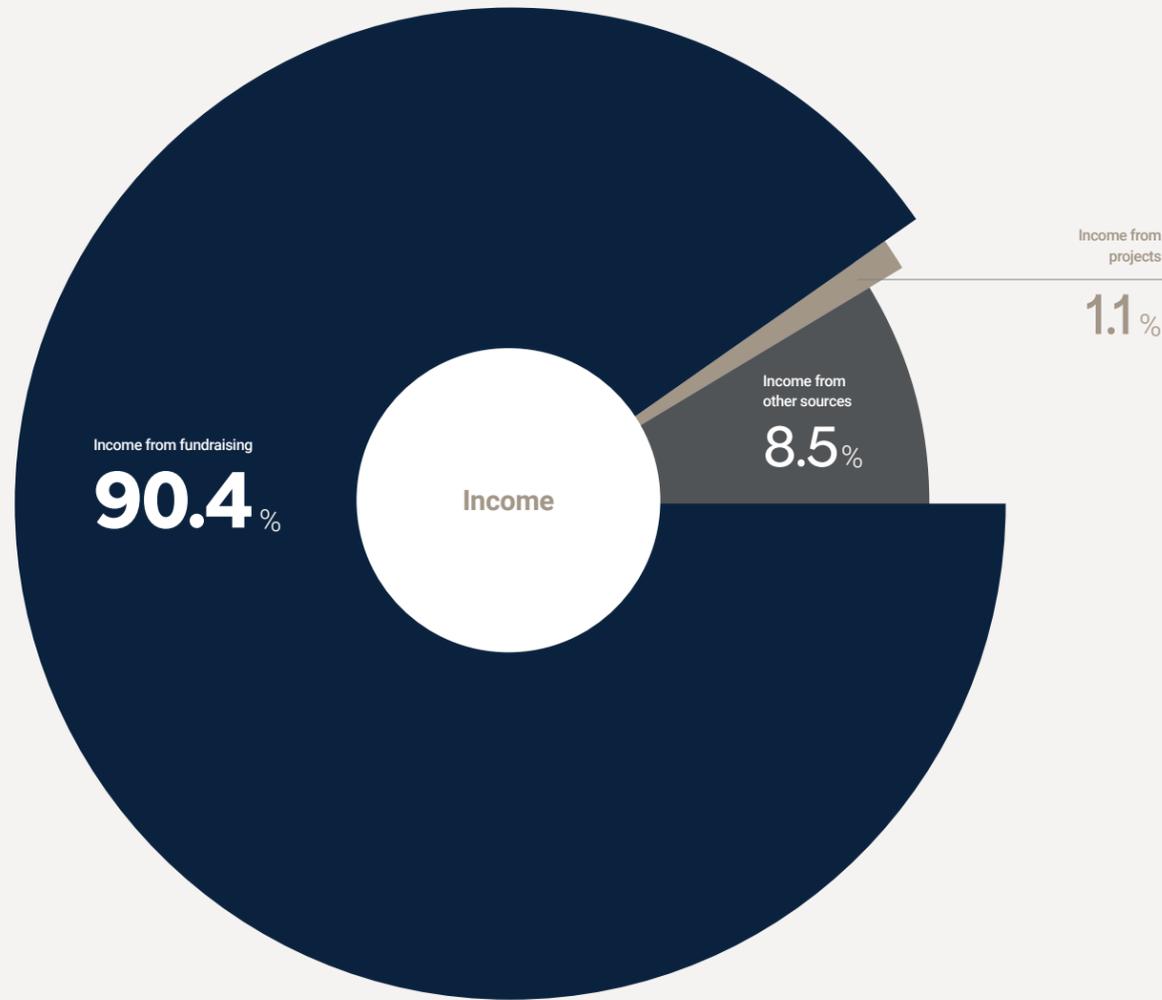
- Developed a plan for managing local government funds to create a region- based social finance ecosystem (Gyeonggi Research Institute, January 2023).
- Conducted foundational research aimed at improving the operation of municipal social economy funds (Law Firm Deoham, February 2023).
- Researched financial support measures for social services (Ministry of Health and Welfare, September 2023).
- Published a book titled '2030 Prospects of Korea's Social Economy : Rivers to Oceans, Waves of Solidarity and Self- Help' by BTSE, a social economy research group (June 2030).
- Held seminars and discussions for the civil society ESG working group network, H- ESG.
- Researched strategies for fostering social ventures and resources for Hwaseong City (Hwaseong City, December 2023).

# Financial Report

SVS continues to ensure transparency and fairness in its management practices as part of fulfilling its social mission.

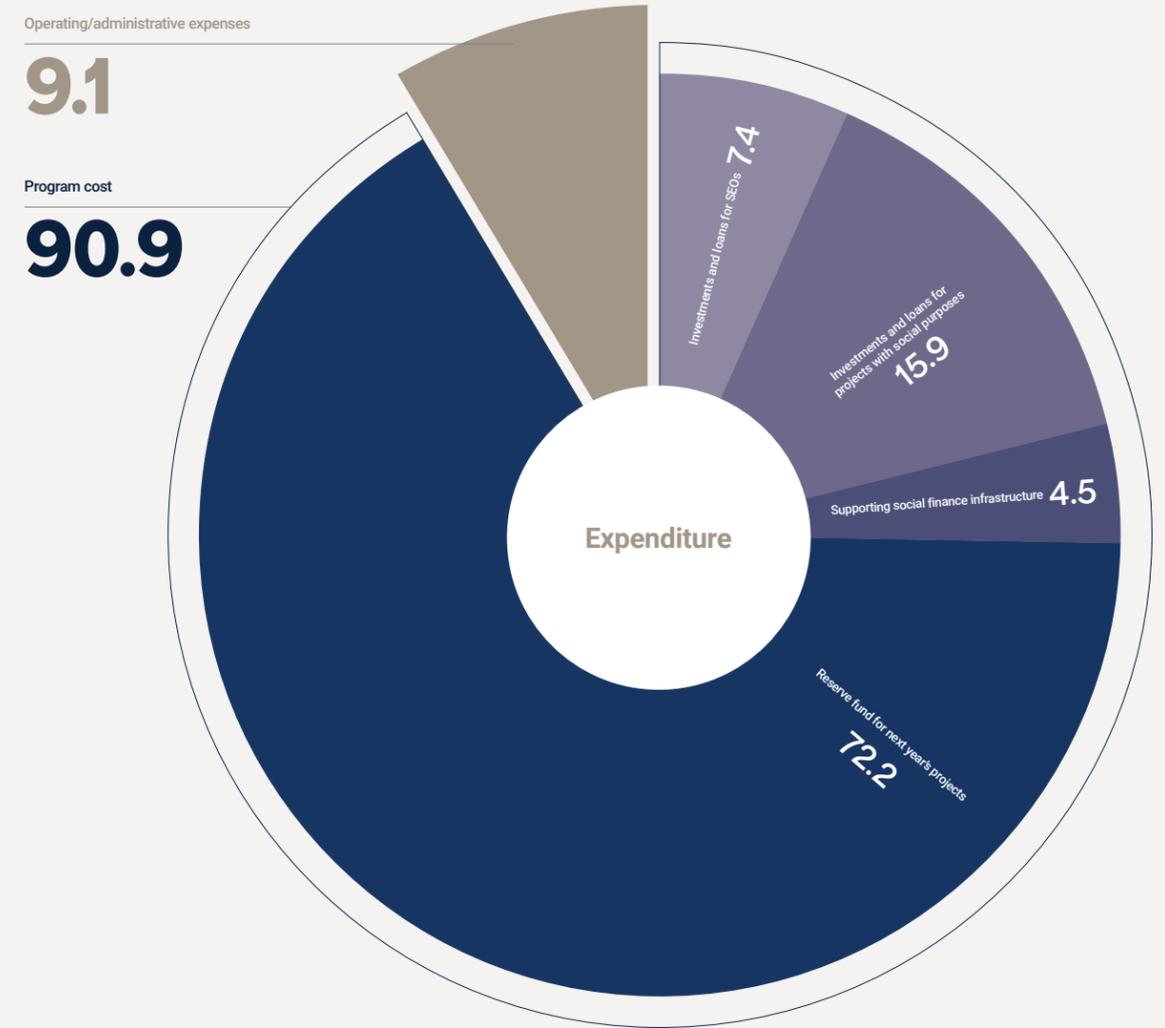
## Overview of Income and Expenditures

As of the end of 2023, Unit: million KRW



Income from fundraising <sup>(1)</sup>	7,402,000,000
Income from projects	86,000,000
Income from other sources <sup>(2)</sup>	698,000,000

(1) Including reserve funds carried forward from previous year and loans recovered. | (2) Including entrusted social investment fund



<b>Program cost</b>	<b>7,437,000,000</b>
Investments and loans for SEOs	550,000,000
Investments and loans for projects with social purposes	1,181,000,000
Supporting social finance infrastructure	333,000,000
Reserve fund for next year's projects	5,373,000,000
<b>Operating/administrative expenses</b>	<b>749,000,000</b>

## Financial Statements

FY5 (current): As of December 31, 2023  
FY4 (previous): As of December 31, 2022

### Balance Sheet

(Unit: KRW)

Item	FY5 (current)	FY4 (previous)
<b>Assets</b>		
<b>I. Current assets</b>	7,655,947,357	7,159,015,977
<b>[1] Quick assets</b>	7,655,947,357	7,159,015,977
1. Cash and equivalents	2,822,845,647	4,114,599,269
2. Short-term financial investments	2,550,000,000	2,000,000,000
3. Loan obligations	0	109,063,000
4. Current long-term loan obligations	2,220,106,933	890,000,000
5. Uncollected fund	1,980,000	0
6. Uncollected profits	26,567,534	24,105,522
7. VAT refundable	20,000	0
8. Corporate taxes paid in advance	34,427,243	21,248,186
<b>II. Non-current assets</b>	15,328,898,360	16,677,950,028
<b>[1] Investments</b>	15,210,469,348	16,510,926,540
1. Investment shares	10,652,784,151	10,693,926,540
2. Long-term loan obligations	4,557,685,197	5,817,000,000
<b>[2] Tangible assets</b>	66,172,569	89,687,493
1. Equipment and fixtures	46,906,620	46,058,620
Accrued depreciation	(34,320,551)	(24,983,627)
2. Facilities	75,130,000	75,130,000
Accrued depreciation	(21,543,500)	(6,517,500)
3. Assets under construction	0	0
<b>[3] Intangible assets</b>	22,256,443	47,335,995
1. Software	22,256,443	47,335,995
<b>[4] Other non-current assets</b>	30,000,000	30,000,000
1. Deposit on rents	30,000,000	30,000,000
<b>Total assets</b>	22,984,845,717	23,836,966,005
<b>Debt</b>		
<b>I. Current debt</b>	526,897,782	687,811,070
1. Accounts payable	370,082	201,736
2. Accounts received in advance	0	5,307,700
3. Costs payable	26,527,700	23,968,300
4. Repayments to Current Social Investment Fund	500,000,000	0
5. Liquidity repayments to Social Investment Fund	0	658,333,334
<b>II. Non-current debt</b>	0	0
<b>III. Earmarked business reserve funds</b>	0	0
<b>Total debt</b>	526,897,782	687,811,070
<b>Net assets</b>		
<b>I. Basic net assets</b>	500,000,000	500,000,000
1. Basic assets	500,000,000	500,000,000
<b>II. Common net assets</b>	21,957,947,935	22,649,154,935
1. Founding investments in social impact	27,570,905,000	27,570,905,000
2. Disaster Solidarity Fund executed	183,831,250	183,831,250
3. Deposit in Disaster Solidarity Fund	102,550,630	102,550,630
4. Surpluses undisposed of		
(Losses undisposed of)	(5,899,338,945)	(5,208,131,945)
<b>Total net assets</b>	22,457,947,935	23,149,154,935
<b>Debt and net assets combined</b>	22,984,845,717	23,836,966,005



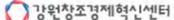
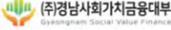
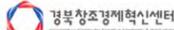
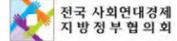
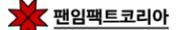
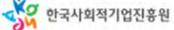
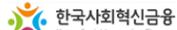
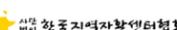
### Statement of Activities

(Unit: KRW)

Item	FY5 (current)	FY4 (previous)
<b>I. Business revenue</b>	462,125,455	241,648,045
1. Non-financial business revenue	72,053,254	35,000,000
2. Revenue from labor mutual subsidies	50,000,000	40,000,000
3. Revenue from private-sector donations	90,564,800	12,419,760
4. Revenue from returns on investments and loans	41,845,527	24,539,787
5. Revenue from interest on savings deposits	207,661,874	129,688,498
<b>II. Business costs</b>	1,153,699,522	1,248,331,631
<b>[1] Business undertaking costs</b>	953,714,506	987,824,374
1. Investment program expenses	231,910,129	328,011,948
2. Field building business expenses	721,804,377	659,812,426
<b>[2] General administrative expenses</b>	199,985,016	260,507,257
1. General administrative expenses	199,985,016	260,507,257
<b>III. Business profits</b>	(691,574,067)	(1,006,683,586)
<b>IV. Non-business profits</b>	367,079	5
1. Miscellaneous profits	367,079	5
<b>V. Non-business costs</b>	12	26,327,055
1. Losses due to tangible asset disposition	0	26,327,046
2. Miscellaneous losses	12	9
<b>VI. Earmarked reserve funds carried forward from FY4</b>	247,045,389	142,279,997
<b>VII. Earmarked reserve funds carried forward to FY6</b>	247,045,389	142,279,997
<b>VIII. Before taxes</b>		
Net profit (loss)	(691,207,000)	(1,033,010,636)
<b>IX. Corporate taxes, etc.</b>	0	0
<b>X. Net profit (loss)</b>	(691,207,000)	(1,033,010,636)

## Partner Organizations in 2023

SVS is deeply grateful for the support from and participation of all the governmental organizations, state enterprises and private-sector businesses, SFIs, and SEOs who help us continue to build and expand ecosystems for social finance in Korea.

KOREA SOCIAL VALUE AND SOLIDARITY FOUNDATION  
ANNUAL REPORT  
**SVS IMPACT 2023**

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